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EXAMINER	
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3688	

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	09/883,913	OKI, HIROSHI	
	Examiner	Art Unit	
	JEAN JANVIER	3688	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☐ Responsive to communication(s) filed on _____.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-17* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-17* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

Response to Applicant's Arguments

The Examiner's last Office Action was partially withdrawn as featured in the last correspondence signed by my SPE and mailed by the Office. Further, although an internal Decision was issued by the Examiner on this case, however, before the mailing of the said Decision, the Examiner had contacted the Attorney of record regarding perfecting the Foreign priority by providing an English Translation of the priority Document to thereby render the present reference or the Heintz's reference, deemed relevant, unavailable as prior art. The Examiner, for months, has unsuccessfully tried to receive the required Translation of the priority Document. The Examiner had spoken with the Attorney of record himself at least three times and asked him to fax in the English translation to the Examiner's personal fax number. However, the Examiner has never received the said translation. Moreover, the Examiner had unsuccessfully spoken with the Attorney's Assistant several times regarding the same issue. Since the Examiner has never received the required translation and since it appears that there is a lack of interest in prosecuting this case, the Examiner has herein dropped the said internal Decision in favor of the current Action, which is recorded below.

In addition, Applicant's arguments are being moot in view of new grounds of rejection. Furthermore, the interview summary recorded by SPE and mailed by the Office has already answered some of the Applicant's concerns.

See below the Examiner's response following the RCE.

[[First of all, the specification, page 2: lines 20-30, discloses that the terminal software or client software (processing product) from the ISP or network

provider/network services is distributed or given away to prospect users or customers for free and that income from the network services does not depend on the sales of the terminal software or access software or client, **but rather the network services profit by having their menus used** (the server can expect an income from its services). **Here, it is not clear how the use of menus (services) brings income to the network provider**.

Furthermore, the specification, page 3: 17-19, discloses that the invention provides a payback to customers receiving the client software for free or for a payment. However, as shown above, the client software is distributed to the customers or prospects for free not for a payment. **The specification does not disclose why a customer using the distributed client software to access a network provider or ISP will be paid by the network provider. The business strategy associated with paying the customer is not immediately apparent. Hence, the step of paying back the customer will be treated, when used in the claims, as a nominal recitation.**

The claims or at least the independent claims recite paying back a customer and a distributor **based on recorded use results**. **First, although the specification shows, page 11: 9-15 and page 6: 1-19, that the use results include period of service use, connection fee for service use, however, the specification does not disclose how the period of service use and a connection fee, associated with a distributed product, affects the payment made to a customer and to a distributor. In other words, the payment is not a direct function of the use results despite the explicit recitation therein. At best, the distributor receives a payment when the user installs the client software, distributed by the distributor on behalf of the network provider, to sign-**

up with the network provider to receive network service (like Internet access) and pays a (monthly) fee to the network provider for such a privilege. The payments may be accumulated for distributing a plurality of client software by the distributor on behalf of the network provider when the prospects use the software to register with the network provider (ISP) and become registered members and pay a connection fee or charge (see page 7: 18 to page 8: 7). Moreover, although the specification, on page 9: 33 to page 10: 3, recites calculating a payback to be made to the distributor by multiplying the sum of the network service use results by a predetermined rate, nevertheless, it is not clear from the specification that the user or registered user is charged an hourly connection fee, as opposed to a flat monthly fee, wherein the hourly fee is accumulated overtime based on the amount of time the user spends accessing online information or browsing the net via the ISP and wherein the distributor gets paid based on such billing arrangement.

Second of all, and as best understood, the claims recite a process or system for providing a product, such as a software piece (network or application software or access program), to a user via a distributor, receiving an indication or a signal that the software was actually received and installed by the user to access the provider's or ISP network (storing use results of the product or software by the user) and subsequently providing a payment to the distributor for distributing the software or the product to the user**. The distributor's payment is based on the number of users who receive the distributed product or software and log into the system to use the service provider (ISP) connection or network (use results)**. Here, Brewer discloses distributing a client software component (information product or network access software or Internet client

software) that enables a user of a personal computer (PC) to connect and interact, over a communication network, with a server of an Internet Service Provider (ISP) to browse the network while required messages, such as advertisements, are being displayed in a particular manner on a display screen of the user's PC (information processing unit) for interaction with the user and user's activity or interaction is recorded. **It is herein understood, from the Brewer's Patent, that the new software or Internet client software (Earthlink client software), which enables the user to connect to the ISP or network service provider to request network service or browse the network, is distributed to the user either electronically or online or on removable media such as diskettes or CDs (having unique identifiers imprinted thereon) via the Post Office (including other means) or through third parties or associated retailers (distributors) POSes or checkouts (col. 5: 5-22). Indeed, Earthlink client software was widely distributed as described above**. The user installs the distributed software (product) on his PC (information processing device) upon receiving the said software. The user's PC dials into a network server, to complete the installation of the software, subsequent to providing necessary demographic information, billing (credit) information (for paid network service), an identifier and/or temporary password and username imprinted or supplied with the removable medium (diskette or CD) that contains the software. The server receives and validates the required data, especially the information that comes with the software and credit card data. The server subsequently provides a permanent username and password to the user, which enable the user, now registered, to access network service or browse the network at any given time via the ISP, which

usually charges a fee to the user for such access (distributing a software to the user and recording the user's use of the product).

Here, the Examiner clearly concedes that Brewer does not expressly disclose storing a distributor's name distributing an identified product **and calculating or paying by the Internet (Network) Service Provider (ISP) a fee to the distributor or participating retailer or third party for distributing the identified client-software or access program** or product (information-processing product) to the user(s) based on the user's information (recorded use information) identifying the user and the unique product.

However, the process for providing a Software or a product or access program encoded on a computer readable medium (diskette or CD bearing a unique Product identifier) to a user or customer via a third party or distributor, which, when installed on the user's computer, allows the user to access an online distribution system or a computer network or Internet Service Provider (ISP) and for compensating the distributor for distributing the software to the user at a POS is well-established and well documented in the art. In fact, Internet Service Providers or ISPs, such as AOL.com (America Online) including Earthlink, have been distributing free software encoded on 1.44 floppy diskettes (CDs) to prospect users or the public at large via the Post Office or participating retailers' (distributors) POSes or checkouts. The medium or diskette containing the software or client provided by AOL.com or Earthlink, for example, bears a temporary login name and password or identification (including other product identifier). Upon installing the software, encoded on the diskette, on his computer, a user will be prompted to enter the temporary login name and password or identification, which allow the user to

connect via a telephone line to a remote server associated with the ISP or AOL.com, wherein, upon validating the user's temporary information imprinted on the diskette, the user can complete the installation or registration process by providing his demographic data including a credit card number (recorded use result) for future billing and establishing a permanent login name or screen name and a password or identification that are stored in the ISP server database. Subsequent to the installation or registration process, the user, now registered, can browse the ISP site or visit other sites or web sites available on the Internet. Further, it is understood that AOL.com (Earthlink) should compensate the distributors or third parties for distributing the diskettes or CDs, having the software encoded thereon, at their POSes or checkouts or locations in accordance with a predefined business agreement and wherein upon correlating the information received from the user's installation, such the temporary login name and password and other imprinted product id, with information in a registry or database file, **AOL.com server is configured to identify the unique diskettes or products distributed by a specific distributor and calculate a compensation due to the distributor for distributing the diskettes or CDs, having the access program or Internet software encoded thereon, based on the business agreement (calculating or paying by the Internet (Network) Service Provider (ISP) a fee to the distributor or participating retailer or third party for distributing the identified client-software or access program).**

("Official Notice").

Furthermore, Applicant discloses, as prior art, in the background of the specification on page 2: 20-35, paybacks (compensations) are often provided to

client distributors, who distribute clients (such as access program or software) for free or at low prices to users, as an incentive to distribute the client or product (As per Applicant's own disclosure).

Therefore, an ordinary skilled artisan, implementing the Brewer's system or facing the problem of expanding/increasing network usage, would have been motivated at the time of the invention to combine the above public disclosure with the Brewer's system so as to distribute to prospect users free diskettes or CDs, having encoded thereon the ISP client-software or access program for enabling the prospect users to connect to the Internet through the ISP server or system, via a distributor's or retailer's POS where the recordable media (diskettes or CDs) can be picked up by the prospect users during the course of shopping and wherein each diskette or CD having imprinted thereon a user's temporary password and login name and other indicia (this information is contained in the CD or diskette package) that are used by the users during installation to complete a sign-up or registration process, thereby providing a financial incentive to the distributor to display the diskettes or CDs, having encoded thereon the ISP sign-up software near the checkout stations within his location where they can be easily picked up for free by interested customers or prospect users while paying for transactions at the distributor's or retailer's POS in an effort to encourage the customers or prospect users to join the particular ISP network service, instead of a competitor's, for a fee, and wherein identification data associated with a particular diskette or CD are read during the users' registration and are used not only to pay the distributor for a successful distribution, but also to measure the effectiveness of the distribution of the diskettes or CDs through third parties or independent distributors and the ISP is able to increase its subscriber base and

economic bottom line, while compensations or money received by the distributor for giving away the recordable media, having the ISP client-software encoded thereon, to his customers are used to help cover the distributor's overhead expenses.

Further, in the Brewer's system, it is expected that the access software or access program or the Earthlink software should be distributed to prospect users perhaps through local retailers or distributors locations, in addition to downloading the software online, as practiced by AOL, Netzero, Earthlink and other ISPs and that the retailers or distributors should be compensated one way or another for doing so according to a predefined business agreement between a distributor and an ISP. These findings are well within the level of skills of an ordinary skilled artisan. Additionally, and as seen above and contrary to the Applicant's conclusion, the above disclosure does indeed mention the step of providing or calculating a payback or payment to a distributor according to a prior business agreement between the ISP and the distributor for distributing the diskettes and/or CDs, having the access program encoded thereon, which reads on the steps of calculating and determining a payback or compensation to the distributor. **Here, the manner in which the payback, made to the distributor, is computed constitutes a non-functional descriptive material since the distributor will receive a payment or payments regardless of what method is used to calculate the payment or payments.**

Third of all, contrary to the Applicant's conclusion, the "Official Notice" is proper for the materials or facts recited therein are well known and capable of instant and unquestionable demonstration (MPEP 2144.03). Further, making reference to companies, such as AOL, Netzero and Earthlink that are still trading constitute by itself evidentiary support and no affidavit is required in this case to support such a disclosure.]]

DETAILED ACTION

Status of the Claims

Claims 1-17 are currently pending in the Application.

Claim Objections

Claims 1 and 4 are objected to because of the following informalities:

Concerning claims 1 and 4, "means recording" should apparently be - - means for recording- -.

Concerning claim 1, "recorded use results" should apparently be - - recorded use result information - -.

Similar deficiencies are noted in the other claims, which are objected to in a like manner.

Appropriate corrections are required.

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1, 3 and 4 (including their dependent claims) are rejected under 35 USC 112, second paragraph as being inconsistent or for not achieving the purpose or goal recited in the preamble. Here, although the preambles of the claims (e.g. claim 1) recite "making a payback to a user or a middleman/distributor", however, the bodies of the claims recite "making a payback to **both** the user **and** the middleman/distributor", which is inconsistent with the recited or stated goal.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-5, 10-13 and 17 are rejected under 35 U.S.C 102(e) as being anticipated by Heintz, US 2001/0025253A1.

As per claims 1-5, 10-13 and 17, Heintz discloses a method of providing a multi-level (payback) award program using a system and a computer-readable medium or storage means for recording a product or service use information (use result) related to a product or service, used by a user (or at least one first-level user), in accordance with the said award program. The method includes the steps of enrolling at least one first-level user (or a product or service user), referred by an enrolled user (middleman or associate), through a Web interface, tracking internet activity (product/service use) of the at least one first-level user (tracking product use by the product user or first-level user and recording associated use result information in a database or storage means), providing the at least one first-level user (product user) with award points earned by the at least one first-level user for the Internet activity (product usage) and calculating bonus points awarded to the enrolled user (middleman) based on a first percentage of the award points earned by the at least one first-level user or product user (calculating and providing payback to both the

product user or first-level user and the middleman or enrolled user based on the use result information or the tracked Internet activity of the product user. Here, the product user's payback depends on the product use or Internet activity and the middleman's payback is based on a percentage of the product user's payback, which is based on the use of the product or Internet activity of the at least a first-level user or product user and thus, the middleman's or enrolled user's is based on the use result or Internet activity of the at least a first-level or product user. Having said that, and broadly interpreted, Heintz discloses calculating a payback for both the product user and the middleman based upon the use of the product or Internet activity of the product user).

. Additionally, the system includes a database for receiving and storing information from a plurality of referred users at a plurality of levels, a database for receiving and storing award points, software for tracking internet activity of the referred users and providing award points to the referred users and software for calculating bonus points awarded to the enrolled user based on percentages of the award points provided to the referred users. The machine/computer-readable medium includes a first machine readable code that enrolls the at least one first-level user referred by the enrolled user, a second machine readable code that tracks internet activity of the at least one first-level user, a third machine readable code that provides award points to the at least one first-level user for the internet activity of the at least one first-level user and a fourth machine readable code that calculates the bonus points awarded to the enrolled user
(See abstract; figs. 2 and 3; col. 1: [0005] to [0008] and claim 1 of the present reference).

Please consider the entire reference.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 6-9 and 14-16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Brewer, US Patent 6, 148, 332A.

As claims 6-9 and 14-16, Brewer discloses distributing a **client software component (information product) that enables a user of a personal computer** (PC) to connect and interact, over a communication network, with a server of an Internet Service Provider (ISP) to browse the network while required messages, such as advertisements, are being displayed in a particular manner on a display screen of the user's PC (information processing unit) for interaction with the user and user's activity or interaction is recorded (the server storage means stores in general the user's service usage of the Internet service and the user's interaction with the displayed advertisements). As long as a valid communication connection between the PC and the ISP exists, over a network, when the user logs in subsequent to receiving and installing the ISP client software (information product) on his PC, the PC is forced to display a particular message (news, advertisement) in a particular fashion. A user will not be allowed to minimize the message, close the message, or hide the message behind other windows on the PC display screen. The messages will also be interactive so that users are able to get

more information related to a particular displayed message, such as by automatically browsing to an associated location on the World Wide Web of the Internet (the user clicks on a hyperlink shown in a displayed message to visit the source of the message and request more information). Information related to interaction with the user is also tracked and communicated back to the ISP for storage and reporting (tracking and recording the user's activity and/or service use and storing the user's activity permanently in the server storage means). The user is also able to designate message selection criteria, such as expressing an interest in seeing certain types of advertisements. The system, as disclosed above, is configured to display messages on an identified or registered Internet client (PC) screen whenever an active connection exists between an Internet Server of the ISP and the said Internet client (See abstract).

In general, the present system, in a preferred embodiment, includes a mandatory message display and reporting modules that includes a new client software component for a personal computer (PC) interacting with a new server of an Internet Service Provider (ISP) to require certain messages, or information, to be displayed in a particular manner on a display screen of the PC or Internet client for interaction with a user and reporting user activity (col. 1: 45 to col. 2: 34).

The new software component (of the access software or information product) will also gather information related to interaction with the user. This information is communicated back to the mandatory message server 100 of the ISP and stored thereon. Besides tracking which messages are actually displayed, user interaction tracking is also provided (service usage of the Internet service and/or the user's interaction or activity is

recorded). In other words, as the user accesses additional information, i.e. browsing or hyper-linking to a particular source web site based by clicking on the mandatory message area or window or banner having the message displayed thereon, this act is recorded and communicated for storage at the mandatory message server 100 of the ISP. In addition to storing this type of user-specific message display and interaction history information (service usage), which is useful for billing the advertisers, the mandatory message server 100 maintains a database of messages categorized at least by user selection criteria (and including the data of the messages, associated URL's, etc.) and a database of user-specific message selection preferences. The temporary messages and the limited user display options are stored at the PC 10. It is further understood that the new software, which enables the user to connect to the ISP, is distributed to the user either electronically or online or on diskettes or CDs (having unique identifiers) via the Post Office (including other means) or through third parties or associated retailers POSes or checkouts (distributors) (col. 5: 5-22).

Here, Brewer discloses distributing a client software component (information product or network access software or Internet client software) that enables a user of a personal computer (PC) to connect and interact, over a communication network, with a server of an Internet Service Provider (ISP) to browse the network while required messages, such as advertisements, are being displayed in a particular manner on a display screen of the user's PC (information processing unit) for interaction with the user and user's activity or interaction is recorded. It is herein understood, from the Brewer's Patent, that the new software or Internet client software (Earthlink client software), which enables the user to connect to the ISP or

network service provider to request network service or browse the network, is distributed to the user either electronically or online or on removable media such as diskettes or CDs (having unique identifiers imprinted thereon) via the Post Office (including other means) or through third parties or associated retailers (distributors) POSes or checkouts (col. 5: 5-22). The user installs the distributed software (product) on his PC (information processing device) upon receiving the said software. The user's PC dials into a network server, to complete the installation of the software, subsequent to providing necessary demographic information, billing (credit) information (for paid network service), an identifier and/or temporary password and username imprinted or supplied with the removable medium (diskette or CD) that contains the software. The server receives and validates the required data, especially the information that comes with the software and credit card data. The server subsequently provides a permanent username and password to the user, which enable the user, now registered, to access network service or browse the network at any given time via the ISP, which usually charges a fee to the user for such access (distributing a software to the user and recording the user's use of the product).

As per claims 6, 9 and 14, although it is implicitly or silently supported in the Brewer's system that the client-software or product is encoded and distributed on a recorded medium (with a unique identifier) to the user either electronically or online or on diskettes (CDs) via the Post Office or through third parties or associated retailers POSes or checkouts (distributors), however, Brewer does not expressly disclose storing a distributor's name distributing an identified product **and calculating or paying by the**

Internet (Network) Service Provider (ISP) a fee to the distributor or participating retailer or third party for distributing the identified client-software or access program or product (information-processing product) to the user(s) based on the user's information (recorded use information) identifying the user and the unique product.

However, the process for providing a Software or a product or access program encoded on a computer readable medium (diskette or CD bearing a unique Product identifier) to a user or customer via a third party or distributor, which, when installed on the user's computer, allows the user to access an online distribution system or a computer network or Internet Service Provider (ISP) and for compensating the distributor for distributing the software to the user at a POS is well-established and well documented in the art. In fact, Internet Service Providers or ISPs, such as AOL.com (America Online) including Earthlink, have been distributing free software encoded on 1.44 floppy diskettes (CDs) to prospect users or the public at large via the Post Office or participating retailers' (distributors) POSes or checkouts. The medium or diskette containing the software or client provided by AOL.com or Earthlink, for example, bears a temporary login name and password or identification (including other product identifier). Upon installing the software, encoded on the diskette, on his computer, a user will be prompted to enter the temporary login name and password or identification, which allow the user to connect via a telephone line to a remote server associated with the ISP or AOL.com, wherein, upon validating the user's temporary information imprinted on the diskette, the user can complete the installation or registration process by providing his demographic data including a credit card number (recorded use result) for future billing and establishing a permanent login name or screen name and a password or identification that

are stored in the ISP server database. Subsequent to the installation or registration process, the user, now registered, can browse the ISP site or visit other sites or web sites available on the Internet. Further, it is understood that AOL.com (Earthlink) should compensate the distributors or third parties for distributing the diskettes or CDs, having the software encoded thereon, at their POSes or checkouts or locations in accordance with a predefined business agreement and wherein upon correlating the information received from the user's installation, such the temporary login name and password and other imprinted product id, with information in a registry or database file, **AOL.com server is configured to identify the unique diskettes or products distributed by a specific distributor and calculate a compensation due to the distributor for distributing the diskettes or CDs, having the access program or Internet software encoded thereon, based on the business agreement (calculating or paying by the Internet (Network) Service Provider (ISP) a fee to the distributor or participating retailer or third party for distributing the identified client-software or access program).**

("Official Notice").

Additionally, the manner in which the payback, made to the distributor, is computed constitutes a non-functional descriptive material since the distributor will receive a payment or payments regardless of what method is used to calculate the payment or payments.

Finally, Applicant discloses, as prior art, in the background of the specification on page 2: 20-35, paybacks (compensations) are often provided to client distributors, who distribute clients (such as access program or software) for

free or at low prices to users, as an incentive to distribute the client or product (As per Applicant's own disclosure).

Therefore, an ordinary skilled artisan, implementing the Brewer's system or facing the problem of expanding/increasing network usage, would have been motivated at the time of the invention to combine the above public disclosure with the Brewer's system so as to distribute to prospect users free diskettes or CDs, having encoded thereon the ISP client-software or access program for enabling the prospect users to connect to the Internet through the ISP server or system, via a distributor's or retailer's POS where the recordable media (diskettes or CDs) can be picked up by the prospect users during the course of shopping and wherein each diskette or CD having imprinted thereon a user's temporary password and login name and other indicia (this information is contained in the CD or diskette package) that are used by the users during installation to complete a sign-up or registration process, thereby providing a financial incentive to the distributor to display the diskettes or CDs, having encoded thereon the ISP sign-up software near the checkout stations within his location where they can be easily picked up for free by interested customers or prospect users while paying for transactions at the distributor's or retailer's POS in an effort to encourage the customers or prospect users to join the particular ISP network service, instead of a competitor's, for a fee, and wherein identification data associated with a particular diskette or CD are read during the users' registration and are used not only to pay the distributor for a successful distribution, but also to measure the effectiveness of the distribution of the diskettes or CDs through third parties or independent distributors and the ISP is able to increase its subscriber base and economic bottom line, while compensations or money received by the distributor for

giving away the recordable media, having the ISP client-software encoded thereon, to his customers are used to help cover the distributor's overhead expenses.

Claims 6-9 and 14-16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Shear, US Patent 4,827,508.

As per claims 6-9 and 14-16, shear discloses a "return on investment" digital database usage metering, billing, and security system including a hardware device, which is plugged into a computer system bus (or into a serial or other functionally adequate connector) and a software program system resident in the hardware device. One or more databases are encrypted and stored on a non-volatile mass storage device/storage means (e.g., an optical disk) or CD. A tamper-proof decrypting device and associated controller decrypts selected portions of the stored database (product or processing product) and measures the quantity of information, which is decrypted for use (use results). This measured quantity information is communicated to a remote centralized billing facility and used to charge the user a fee based on database usage (charging a fee to a user for using a portion of the application(s) or databases/products stored on the diskette or CD based on use result). A system may include a "self-destruct" feature, which disables system operation upon occurrence of a predetermined event unless the user implements an "antidote"--instructions for implementing the antidote being given to him by the database owner only if the user pays his bill. Absolute database security and billing based on database usage are thus provided in a system environment wherein all database access tasks are performed at the user's site. Moreover, a free market competitive environment is

supported because literary property royalties can be calculated based on actual data use (see abstract).

> The present system provides a facility for measuring usage of the on-site database for the purpose of billing the user according to the database use or a portion of the application(s) stored on the diskettes or CDs (based on use results) and for periodically conveying the measured usage (recorded use results) information to the database owner or his agent while preventing the user from tampering with the measured usage information (See Col. 3: 52 to col. 8: 34).

Indeed, a Decoder/biller 300 of fig, 3 meters database usage (product usage) and generates usage information (recorded use result) in a form, which can periodically be conveyed to the owner of the databases (or his agent, e.g., a service company) (see FIG. 6, blocks 906-908). The usage information is typically used to calculate a database access fee the user is to be charged for using one or more applications stored in a storage means (see FIG. 6, blocks 910-914). See col. 9: 18-23.

The Decoder/biller block 300 measures the amount and/or type of information sent to it for decryption and stores information indicating database usage over time from such measured amounts. Decoder/biller block 300 stores all necessary billing and usage information in a protected, non-volatile memory device (or in a protected, non-volatile storage facility within the host computer 200) for later retrieval and use in calculating database usage fees (col. 12: 21-29).

Moreover, the user can be billed an annual fee for unlimited use of some databases or database properties, and billed only for actual use of other databases or

database properties. In this way, the user can pay a flat fee for the databases, or specific database properties or "books", he uses most often, and yet have access on a "pay-as-you-go" basis to other databases which he might use occasionally but not enough to justify paying the cost for unlimited use. This billing method provides the user with database resources he might not otherwise be able to afford, and also stimulates use of databases, which are not used often but are nevertheless extremely valuable at times (Col. 16: 29-41).

Here, the process of storing or identifying the host or distributor distributing the different databases (digital products) on behalf of the publishers is implicitly supported in the prior art or reference.

As per claims 6, 9 and 14, Shear does not expressly disclose storing (identifying) a distributor's name distributing an identified product (digital property) from a publisher to an identified user **and calculating or paying by the publisher or Provider (network provider) a fee to the distributor or system host owner (company service) or third party for distributing the identified client-software or application** or product (information-processing product) to the user(s) based on the user's recorded use of the product.

However, it is common practice for a host system owner or third party for charging a fee, based on a predetermined agreement or contract, to a manufacturer or a publisher or service provider, such as AOL.com, Netzero.com, Earthlink, etc, for performing a service or distributing a product, such as an access software (client

software), an application or a program, online at the host system site or offline at the third party's location on behalf of the publisher or provider.

("Official Notice").

Additionally, the manner in which the payback, made to the distributor, is computed constitutes a non-functional descriptive material since the distributor will receive a payment or payments regardless of what method is used to calculate the payment or payments.

Finally, Applicant discloses, as prior art, in the background of the specification on page 2: 20-35, paybacks (compensations) are often provided to client distributors, who distribute clients (such as access program or software) for free or at low prices to users, as an incentive to distribute the client or product (As per Applicant's own disclosure).

Therefore, an ordinary skilled artisan, implementing the Shear's system, would have been motivated at the time of the invention to incorporate the above public disclosure into the Shear's system so as to enable prospect users to access or receive the different databases (applications) from the publishers via a host system and to calculate a payment due to the host system (distributor) based on the amount of money charged to the users in accordance with their use of the products or applications (databases) as recorded therein, thereby providing a financial incentive to the distributor or host system to distribute the publishers' products at his location or site to prospect users, while the money received by the distributor for distributing the publishers' products to the prospect users are used to help cover the distributor's or host owner's overhead expenses.

Conclusion

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

USP 5,537,314 to Kanter discloses a credit accumulation and accessing system for a plurality of sponsoring companies and participants having at each sponsoring company location (14, 16), a common bus (26), which communicates with participant data input (28), performance data input (34), computer processing (24), memory (30), an award output device (36), and an input/output device (32). Input/output device (32) may connect to a central control center (12), and/or a plurality of second sponsoring companies (14, 16), and/or a plurality of financial institutions (94), through communication lines (38). Sponsoring company, participant, and performance data, along with award conversion tables, pyramidal association tables, award applicable merchandise UPC codes, financial-institution-issued lines of credit and computer operational programming, are stored. Under control of the operational program several tasks are accomplished accordingly, including, creating subdirectories for a single participant account so as to selectively associate the single account subdirectories with multiple sponsoring company accounts and deciphering such accordingly at points of sale, calculating, posting, and/or issuing discounts, raffle entries, store-credit returns, points, cash values, bill values, in accordance with performance of participants (72, 74), while sending results immediately and/or periodically to appropriate destinations, which may include computer memory and/or bank accounts and/or plastic cards on behalf of participants, participant sponsors in a pyramidal-type structure, sponsoring companies, sponsoring companies' sponsors in a pyramidal-type structure, raffle sponsors, and

redeemed at appropriate locations which may include, sponsoring company, participant, beneficiary, or financial institution bank accounts (52, 54, 82, 84, 94), sponsoring company locations (14, 16), designated sponsoring company award output devices (36), participants' households, beneficiaries' locations, and cash dispensing machines, and received in the appropriate forms, which may include, designated sponsoring company merchandise, wire transfer, check, cash, coupon, certificate, charge card balance reductions, travel tour, or catalog merchandise (See abstract).

USP 6,134,533 to Shell discloses a server system for multi-level vending of any electronically transferable product through a communications network directly to a customer's computer. This server system (herein called a Sales Support Server) integrates the collection of a payment via the network and the automatic distribution of the product with the calculation of commissions using a multi-level marketing commission structure and the distribution of commissions and fees via the network. The preferred configuration includes a client application (herein called a Sales App) which runs as a plug-in to a network browser on the customer's computer and which provides a purchase request and registration data to a Sales Support Server and performs the installation of the product on the customer's computer. The Sales Support Server acquires the payment, transfers the product, calculates and pays the commissions, and adds the purchaser's registration information to the multi-level sales database for the product. The usefulness of this invention includes physical product distribution through a shipping and handling system (See abstract).

WO 96/36926 to McDonald discloses several multilevel marketing systems for advertising, market-research, shopping and similar services are described. Participants

interact with a computer system to receive advertising, respond to market surveys, or place purchase orders as the case may be. The participants form a network which is administered by a network organizer through the computer system. Each participant is rewarded according to the activity of others who are sponsored as downline participants in the network. The participants are encouraged to continue their own activity rather that simply recruit and sponsor new participants (See abstract).

Any inquiry concerning this communication from the Examiner should be directed to Jean D. Janvier, whose telephone number is (571) 272-6719. The aforementioned can normally be reached Monday-Thursday from 10:00AM to 6:00 PM EST. If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's Supervisor, Mr. Eric W. Stamber, can be reached at (571) 272- 6724.

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/J. D. J./

/Jean Janvier/

for Jean D. Janvier, Examiner of Art Unit 3688